



February 23, 1999

SENATE BILL No. 194

DIGEST OF SB 194 (Updated February 18, 1999 4:35 pm - DI 44)

Citations Affected: IC 21-6.1.

Synopsis: TRF pension stabilization fund appropriations. Annually appropriates \$100,000,000 to the pension stabilization fund.

Effective: July 1, 1999.

Wyss, Borst, Landske

January 6, 1999, read first time and referred to Committee on Finance.
February 22, 1999, amended, reported favorably — Do Pass.

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SB 194—LS 6259/DI 73+



February 23, 1999

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

SENATE BILL No. 194

A BILL FOR AN ACT to amend the Indiana Code concerning education finance and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 21-6.1-2-8 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) It is the intent of
3 the 1995 session of the general assembly that the state create a program
4 to stabilize the state's general fund teacher pension expenditures as a
5 percentage of the general fund budget.
6 (b) The pension stabilization fund is established. The pension
7 stabilization fund shall be a part of the pre-1996 account and shall be
8 administered by the board of trustees of TRF in accordance with the
9 powers and duties granted to the board of trustees in IC 21-6.1-3-6,
10 IC 21-6.1-3-7, and IC 21-6.1-3-9 through IC 21-6.1-3-15.
11 (c) Amounts allocated to the pension stabilization fund under
12 IC 4-30-16-3, a portion of employer reserve balance (as determined by
13 the budget director so that the employer reserve is sufficient for the
14 cash flow needs), and other amounts appropriated to the pension
15 stabilization fund by the general assembly shall be deposited in the
16 pension stabilization fund.
17 (d) Expenditures from the fund may not be made until state fiscal

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1 year 2006. After state fiscal year 2006, payments from the fund will
2 equal the pre-1996 Indiana state teachers' retirement fund pension
3 liabilities for the current fiscal year minus the prior year's state general
4 fund payments for the pre-1996 Indiana state teachers' retirement fund
5 times the pension stabilization percentage. The pension stabilization
6 percentage shall be set at one hundred six percent (106%). The budget
7 agency, after review by the state budget committee and with the
8 approval of the governor, may change the pension stabilization
9 percentage such that the present value of future payments from the
10 fund equal the fund's balance plus the present value of future receipts
11 to the fund, but the payments may not allow the fund balance to be
12 negative.

13 (e) Money in the pension stabilization fund at the end of a state
14 fiscal year does not revert to the state general fund.

15 (f) **There is annually appropriated to the pension stabilization**
16 **fund one hundred million dollars (\$100,000,000) from the state**
17 **general fund for carrying out the purposes of the pension**
18 **stabilization fund.**

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SENATE MOTION

Mr. President: I move that Senator Borst be added as second author of Senate Bill 194.

WYSS

SENATE MOTION

Mr. President: I move that Senator Borst be removed as author of Senate Bill 194 and that Senator Wyss be substituted therefor.

BORST

SENATE MOTION

Mr. President: I move that Senator Landske be added as coauthor of Senate Bill 194.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 194, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning education finance and to make an appropriation.

Page 1, delete lines 1 through 12.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 194 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 13, Nays 0.

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